

# **EXHIBIT B**

**SEC Docket (1973-2004), 58 SEC-DOCKET 463-215, In the Matter of John T. Moran, Securities and Exchange Commission, (Dec. 8, 1994)**

In the Matter of JOHN T. MORAN

58 SEC-DOCKET 463

Release No. 34-35064

December 8, 1994

Administrative Proceeding File No. 3-8570

**ORDER INSTITUTING PUBLIC ADMINISTRATIVE PROCEEDINGS, MAKING FINDINGS AND IMPOSING REMEDIAL SANCTIONS**

I

The Securities and Exchange Commission ('Commission') deems it appropriate and in the public interest that public administrative proceedings be instituted pursuant to Sections 15(b) and 19(h) of the Securities Exchange Act of 1934 ('Exchange Act') against John T. Moran ('Moran').

In anticipation of these proceedings Moran has submitted an Offer of Settlement ('Offer') which the Commission has determined to accept. Solely for the purpose of these proceedings, and any other proceedings brought by or on behalf of the Commission or in which the Commission is a party, and without admitting or denying the findings contained in this Order Instituting Public Administrative Proceeding, Making Findings and Imposing Remedial Sanctions ('Order'), except as to the entry of the permanent injunction set forth in Section III.B., below, which he admits Moran consents to the institution of public administrative proceedings, the findings and the remedial sanctions set forth below.

II

Accordingly, IT IS ORDERED that public administrative proceedings pursuant to Sections 15(b) and 19(h) of the Exchange Act be, and hereby are, instituted.

III

On the basis of this Order and Offer, the Commission finds that:

A. From in or about January 1987 to in or about January 1990, Moran was the President of J.T. Moran & Co., Inc. ('J.T. Moran'), a now defunct broker-dealer registered with the Commission from in or about February 1987 to in or about December 30, 1991. J.T. Moran was wholly owned by J.T. Moran Financial Corp. ('MoranFin'), a New York City based public corporation. Moran was the Chairman and Chief Executive Officer of MoranFin. In or about January 1990, J.T. Moran and MoranFin ceased operations.

B. On October 31, 1994, Moran was enjoined, on consent, by the United States District Court for the Southern District of New York, from further violations of Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933 ('Securities Act') and Sections 9 (a)(2) and 10(b) of the Exchange Act and

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**GOVERNMENT  
EXHIBIT  
1044  
16 Cr. 371 (RA)**

Rules 10b-5 and 10b-6 thereunder, and ordered to disgorge \$1,694.91 in ill-gotten gains, plus \$1,218.83 in prejudgment interest. SEC v. John T. Moran, et al., 92 Civ. 5209 (TPG) (S.D.N.Y. Oct. 31, 1994).

C. The Complaint in the above action alleges, among other things, that:

1. J.T. Moran underwrote a \$25,000,000 public offering of 25,000 MoranFin units, at \$1000 per unit, pursuant to a Form S-1 registration statement ('MoranFin unit registration statement') which went effective on October 19, 1988.
2. From in or about April 1988 to in or about October 1988, Moran, directly or indirectly, engaged in and directed a series of trades in Med-Mobile common stock between and among customer nominee accounts, J.T. Moran's trading account and other J.T. Moran proprietary accounts, in order to unlawfully inflate J.T. Moran's net capital position. In connection with this conduct, Moran, directly or indirectly, among other things:
  - (a) caused J.T. Moran to overstate its net capital position for the months ending July, August and September 1988;
  - (b) caused to be filed with the National Association of Securities Dealers, Inc. ('NASD') J.T. Moran Financial and Operational Combined Uniform Single Reports ('Focus Reports') for the months ending July, August, and September 1988, which contained inaccurate net capital figures for J.T. Moran; and
  - (c) misstated J.T. Moran's month end September 1988 net capital position in the MoranFin Form 10-Q, dated September 30, 1988.
3. In or about October 1988, Moran, directly or indirectly, made numerous misrepresentations and omissions of material facts to investors and prospective investors in the MoranFin units registration statement. Among other things, the MoranFin registration statement falsely stated that:
  - (a) \$3,825,000 in MoranFin unit offering proceeds were to be used to increase the equity capital of J.T. Moran, when, in fact, MoranFin applied \$14 million in offering proceeds to J.T. Moran's equity capital; and
  - (b) J.T. Moran did not contemplate trading the MoranFin units on a principal basis, when, in fact, immediately after the effective date of the MoranFin unit offering, J.T. Moran began trading MoranFin units on a principal basis.
4. In or about October 1988, Moran, directly or indirectly, caused J.T. Moran to overstate its net capital position for the month ending October 1988 and caused to be filed with the NASD a J.T. Moran FOCUS Report which contained an inaccurate net capital figure for the month ending October 1988.
5. From in or about October 1988 through December 1988, Moran, and others, interfered with supply and demand in the trading market in MoranFin units, created actual or apparent active trading in the market for MoranFin units, and artificially raised and supported the market price of MoranFin units.

#### IV

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In view of the foregoing, the Commission finds that it is in the public interest to impose the sanctions specified in the Offer.

Accordingly, it is ORDERED that, effective immediately, John T. Moran be, and hereby is, barred from association with any broker, dealer, investment company, investment adviser or municipal securities dealer.

By the Commission.

Jonathan G. Katz

Secretary

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